

## ***NEWS RELEASE***

FOR IMMEDIATE RELEASE  
MAY 9, 2001

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### **DeNUCCI CITES APPELLATE TAX BOARD FOR FAILURE TO DOCUMENT DECISIONS**

State Auditor Joe DeNucci reported today that the Commonwealth's Appellate Tax Board (ATB) did not maintain documentation to justify more than 94 percent of its decisions over a four-year period.

According to DeNucci's audit, the board, which hears appeals for abatements of tax decisions that have been made by local and state taxing authorities, did not record the reasons for 4,092 of the 4,347 rulings it rendered, classifying most of the cases as undocumented. Written records were maintained only when the board was specifically requested to do so.

As a result, DeNucci said, this precludes any meaningful review of the board's verdicts by interested parties, including court and law enforcement officials, since there is no indication as to whether the board's decisions were reasonable or equitable. The lack of documentation also makes it impossible for board commissioners to refer to previous cases that might be similar in nature to those under current review.

ATB officials indicated that their policy of maintaining written records of decisions by request only was an attempt to reduce operating costs to a minimal level.

"The Appellate Tax Board should maintain records to support all of its decisions on taxpayers' appeals," advised DeNucci. "This documentation would ensure accountability and consistency in the decisions of the board and enhance public confidence in the process."

Furthermore, DeNucci's audit determined that the board has not provided parties involved in the appeals process with adequate guidelines concerning the information they need to submit to support their positions.

"The board should issue written policies and procedures so that all who are either filing appeals or defending earlier decisions will know exactly what information they are required to supply," recommended DeNucci.

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Finally, DeNucci pointed out that although the ATB is authorized to make decisions that have a direct and significant impact on individual taxpayers, businesses and municipalities, it operates in a nearly autonomous manner. While the ATB reports to the Executive Office of Administration and Finance for administrative purposes, EOAF is not authorized to oversee the board's operational activities. ATB decisions can be appealed to the Massachusetts Appeals Court or Supreme Judicial Court, but no other agency is authorized to oversee its operations. All other state agencies that perform regulatory functions report to higher-level oversight organizations.

DeNucci recommended that the board work with the Executive Office of Administration and Finance to consider initiating legislation that would place the board under some mechanism that provides oversight of its administrative and operational activities.



